

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH CENTRAL RURAL	)	
TELEPHONE COOPERATIVE CORPORATION, INC.,	)	
FOR A DEVIATION FROM 807 KAR 5:064,	)	CASE NO. 10473
SECTION 5 FOR FILING OF DEPRECIATION	)	
RATE STUDY	)	

O R D E R

On October 26, 1988, South Central Rural Telephone Cooperative Corporation, Inc. ("South Central RTCC"), filed its 1988 Depreciation Study ("Study"), to be considered by the Commission in accordance with the Commission's Regulations, 807 KAR 5:064. In its Study, South Central RTCC requested an effective booking date of its ultimately approved parameters of January 1, 1988. However, 807 KAR 5:064, Section 5, specifies that a Study must be filed by June 30 of a given year if the utility filing the Study desires an effective booking date within that given year.

Subsequently, on November 15, 1988, South Central RTCC filed a formal request for a deviation from the filing-date requirement in order to allow consideration of an effective date of January 1, 1988. In its filing, South Central RTCC stated the following reasons to support its request for deviation:

1. South Central RTCC is on a fiscal account year ending on June 30. The Annual Audit was conducted after that date, and the

Study was not completed until after the utility's accounts were reviewed by its auditors.

2. The proposed January 1, 1988 effective booking date was requested because the Study was made on plant balances through December 31, 1987. Effective on January 1, 1988, the Uniform System of Accounts, Part 32, was implemented but not audited until after the end of the utility's fiscal year.

3. With the implementation of the Uniform System of Accounts, Part 32, conversion on January 1, 1988, it was advantageous to propose the Study to be effective on that date rather than making a half-year conversion in the Study to the June 30 fiscal year of the utility.

After consideration, the Commission has determined that South Central RTCC's request for deviation should be approved. The utility has presented valid reasons for filing its Study beyond the deadline specified by the subject regulation. Although approval of this deviation request does not constitute Commission approval of the January 1, 1988 effective booking date proposed in the Study, it will allow consideration of this proposed date during the depreciation study review process as outlined in 807 KAR 5:064. South Central RTCC is advised that it should meet the filing date requirements of 807 KAR 5:064, Section 5, in the event the utility files depreciation studies with the Commission in future years.

#### FINDING AND ORDER

The Commission, having considered this matter and being advised, is of the opinion and finds that South Central RTCC's

request for deviation from the filing date requirement of 807 KAR 5:064, Section 5, is reasonable and should be approved.

IT IS THEREFORE ORDERED that South Central RTCC be and it hereby is granted a deviation from the requirement of 807 KAR 5:064, Section 5, to allow the filing of a Depreciation Study beyond the June 30 filing deadline specified in the subject Regulation. This deviation does not constitute approval of South Central RTCC's proposed effective date of January 1, 1988 in its Depreciation Study, but does allow consideration of that date.

Done at Frankfort, Kentucky, this 20th day of December, 1988.

PUBLIC SERVICE COMMISSION

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Chairman

Robert M. Davis  
Vice Chairman

Spencer N. Williams  
Commissioner

ATTEST:

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Executive Director